

STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Cash and Check Handling 3.0	EFFECTIVE DATE: 1/24/86
TITLE: Check Distribution and Non-Routine Voucher Authorization	REVISION DATE: 10/31/92
AUTHORIZED BY: Donald N. Warnke, Director	PAGE 1 OF 2

BACKGROUND

This procedure provides a methodology for dealing with exceptions to normal vouchering policy and establishes procedures for occasional decentralized check distribution. Good internal control dictates that checks are to be mailed directly to the appropriate vendor and not to an intermediate party for later distribution.

POLICY

Goods and services must be received or services performed before invoices are submitted for payment. All contracts must be signed before any payments are made or advanced to any organization.

Any voucher that requests a check as an exception to the above stated policy must include the written approval of the Director or Assistant Director of Fiscal Services (BFS).

Normally all checks shall be mailed to the vendor by the Bureau of Fiscal Services unless justification is submitted in accordance with the provisions of this procedure.

PROCEDURE FOR RECEIVING EXCEPTIONAL VOUCHER APPROVAL

1. A request for exceptional processing together with explanations and justifications shall be sent to the Director or Assistant Director of the Bureau of Fiscal Services.
2. The Director or Assistant Director of the Bureau of Fiscal Services shall review the request and indicate approval or non-approval.

Approvals will be forwarded to the General Accounting Section Chief. The approval may stipulate specific conditions which must exist prior to the release of the check.

3. A copy of the approval letter with the voucher number indicated thereon shall be sent to the General Accounting Section Chief when the voucher is sent to BFS for check processing.

PROCEDURE--CHECK DISTRIBUTION

1. Checks produced as a result of exceptional approval process will be retained in BFS by the General Accounting Section Chief and shall not be released until documentation is provided insuring that all conditions for release of the check have been met. If the conditions have not been met in five (5) working days, the check will be redeposited by 9:00 A.M. on the 6th working day after receiving the check.
2. Justification must be provided anytime the check is not mailed to the payee. The justification shall be attached to the receipt remittance portion of the AD-A-6 Voucher form or the DMS-188 form (Check Distribution/Attachments).
3. Whenever a check is sent to a Division Management Director's Office based upon the justification process, the check should be immediately forwarded to the payee vendor. If the check cannot be mailed the same day, it must be placed in a locked cabinet or vault and mailed the next day. In any case, a check held for 5 days must be redeposited by 9:00 A.M. on the 6th working day after check issuance.

4. Vendor Pick Up of Check.

If a vendor has expressed the intent to pick up a check, the following should occur:

- a. The check shall remain in a locked cabinet or vault until the vendor representative arrives.
 - b. The identification of the vendor representative should be verified.
 - c. Person releasing the check shall maintain a log to be signed by vendor representative picking up checks.
5. Travel reimbursement checks shall be distributed in the same day as received if possible. If they are received too late in the day for distribution that same day, they must be placed in a locked cabinet or vault and distributed the following morning.
 6. Specific situations may dictate decentralized check distribution. BFS will consider requests for blanket authorization of decentralized check distribution in such situations. Written approval would permit the elimination of specific justification required under 2 above.

CONTACT PERSON

Amy McDowell, Chief
Program & Federal Accounting Section
(608) 266-2708